

1062. B. Horner.

NEW SOUTH WALES.

BUSINESS STATISTICS - WEEKLY NOTES.

26th March, 1940.

This Week's Notes include:-

PART I SEASON: Rain needed except in north-east.

EXPORT PRICES AND EXTERNAL TRADE CONDITIONS: Export prices steady. British oversea trade, Feb., 1940. Rise in prices in U.K. U.S. proposals for exchange of shipping routes.

WOOL: Policy of British Wool Control. U.S. woolgrowers levy for publicity.

WHEAT: N.S.W. 1939-40 harvest. Poor 1940 United States harvest expected. Local market quiet. Prices steady.

BUTTER: Unfavourable conditions except on North Coast. Butter and margarine in U.K.

METALS: Tin prices firm again in London.

PART II. INTERNATIONAL CURRENCY RELATIONS: Sterling and franc irregular and weak on New York Exchange. Move for repeal of U.S. Treasury's power to buy foreign silver.

PART III. RETAIL TRADE - N.S.W.

Employment in N.S.W. - mid-February, 1940.

Activity in City Stores - January, 1940.

SAVINGS BANKS - N.S.W.

Depositors' Balances - at 29th February, 1940.

PART IV. BUILDING PERMITS - METROPOLIS.

Value and Dwellings Proposed ) - February and Sept-Feb., 1939-40.

Motor Vehicles - N.S.W.

New Motor Sales - February, 1940.

Vehicles Registered - At 29th February, 1940.

GAS AND ELECTRICITY - SYDNEY.

Index of Consumption - February, 1940.

COAL - N.S.W.

Employment in Collieries - mid-February, 1940.

Railway haulages and Shipments beyond N.S.W.

- February and Jan.-Feb., 1940.

RAILWAYS - N.S.W.

Passengers, Freight and Finance - Jan. and July-Jan. 1939-40.

ROAD TRANSPORT SERVICES - SYDNEY AND NEWCASTLE.

Passengers and Finance - Jan. and July-Jan., 1939-40.

WIRELESS LICENSES - N.S.W.

Broadcast Listeners' Licenses current at 29th Feb., 1940.

BUSINESS STATISTICS - WEEKLY NOTES -  
26th March, 1940.

PART I. PRIMARY AND EXPORT INDUSTRIES.

SEASON. Prospects in the north eastern quarter of State have been restored as a result of rains of early last week averaging from  $2\frac{1}{2}$  to 3 inches in the North Western Slopes and Plains and the Northern Tablelands and from  $2\frac{1}{2}$  to 5 inches along the Coast north from Taree. Elsewhere light rain was of no benefit and the need of soaking falls is becoming urgent.

EXPORT PRICES AND EXTERNAL TRADE CONDITIONS. Because of contracts made for disposal of principal export commodities to the British Government, Australian export prices are steady at a level over 20 per cent. above that of 1937-38, and 27 per cent. higher than in the week ended March 23, 1939. The index number (Commonwealth Bank) in Australian currency is 81.3 (average 1927=100).

Disposal of about half the exportable surplus of wheat has yet to be arranged; an official United States report indicates a very small 1940 harvest in that country as probable, and generally the world wheat situation is more hopeful.

British trade returns for February show a large increase for imports (46%) compared with Feb., 1939 but exports decreased slightly and the value of re-exports was about half that of a year earlier. Wholesale prices in United Kingdom have risen 31 per cent. since the outbreak of war and increased by 2.4 per cent. in February. The cost of living continued to increase, and in the six war months was 31 per cent. higher with rises of 40 per cent. for food and  $26\frac{1}{2}$  per cent. for industrial materials and manufactures. This is partly due to higher prices paid to Dominion producers, partly to increased ocean freight and insurance and partly to other causes.

Share prices steadied last week in London after the decline of the preceding fortnight. In New York the stock market strengthened a little.

Australia purchased planes and munitions valued at \$11.5 m. (£A 3.58 m.) in the United States in 1939.

It is reported that the United States may propose to Britain an exchange of shipping routes so that 80 idle U.S. ships may be employed. This is a proposal which, if consummated, may contribute to relieve the problem of shipping space for Australian (and other) exports.

An Anglo-Dutch trade agreement was initialled last week.

WOOL. The appraisement of wool was resumed in Sydney to-day (Mar. 26) and in another three weeks the main portion of the 1939-40 clip will have been dealt with, leaving only the usual clearing-up catalogues for appraisement in June.

The policy of the British Wool Control is still under comment. Dr. Burgin's statement to the House last week showed that after satisfying requirements of the Forces and the export trade in woollen manufactures, supplies left about half the normal requirements of the home trade. To suggestions that the emphasis placed on wool for women's fashions was misplaced the Minister said he assumed fashion houses and retailers "were aware of the position of wool supplies and would choose their programmes accordingly". The export of tops and noils is being facilitated by the Wool Control Board.

Wool has met with strong general competition at South African wool sales.

/United.....

PART I. (Continued.)

United States woolgrowers are making voluntarily a levy (to yield about £stg. 20,000 a year) for wool publicity. As wool consumption in the United States is relatively small to its potentiality, this is a step which may well have far-reaching effects upon the future of the Australian wool-growing industry.

Average prices realized for greasy wool at auction in Sydney in recent seasons compare with the agreed price for the 1939-40 clip sold to Britain as under:-

AVERAGE PRICE OF GREASY WOOL IN SYDNEY.

Seasons ended June.

	<u>1926-29.</u>	<u>1931-33.</u>	<u>1936-38.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940(a)</u>
Pence (Aust.) per lb.						
	17.2	8.5	14.3	12.7	10.3	13.4

(a) Agreed price under British purchase; subject to addition of one half profit on re-sale of raw wool outside the United Kingdom.

WHEAT. Details of the New South Wales wheat harvest of 1939-40 are now available. The harvest of 76.6 million bushels was the largest next to that of 1932-33 (78.9 m.b.) and the average yield was 17.4 bushels per acre.

The United States Department of Agriculture expects the wheat harvest of 1940 to be the smallest for 40 years as a result of the severe autumn and winter drought. The yield may be about 600 million bushels compared with 931 m.b. in 1938 and 740 m.b. in 1939. The Canadian carry-over on July 31, 1940 will probably be in the vicinity of 250 million bushels.

Wheat futures in Winnipeg were steady last week and in Chicago showed a gain of about 4 cents a bushel over the week. In London prices for Australian wheat were steady.

The local market is very quiet. A few sales of wheat for export flour were reported, but no large sales of wheat to oversea buyers were disclosed. The Wheat Board's prices of wheat (for local consumption and small export orders) f.o.r., Sydney were unchanged at 3s. 9½d. per bushel for silo wheat and 4s. 0½d. per bushel for bagged wheat. Silo wheat for export has a value of about 3s. 8½d. per bushel at ports.

Flour sold locally is unchanged at £12.10s. per ton (including tax).

PRICES OF BULK WHEAT - NEW SOUTH WALES.

		Ex Trucks, Sydney.	Equivalent Ex Farm, Country Siding.(a)
		s.d. per bushel.	
Average -	Seasons 1930-31 to 1934-35	2 9½	2 2½
-	Season 1936-37	5 3	4 8
-	" 1937-38	4 0	3 4½
-	" 1938-39	2 6½	1 11
-	February, 1939	2 5½	1 10
-	" 1940	3 9½(b)	(c)
		3 9½(b)	(c)

March 23, 1940

(a) Excluding bounty. (b) Prices for sale for local consumption.  
(c) Farmers have been advanced 2s. 6d. a bushel less rail freight.  
A further substantial payment is likely if the surplus is sold.

PART II. INTERNATIONAL CURRENCY RELATIONS.

1931-Sept. 21 Great Britain left Gold Standard.  
 1933-March 6 United States technically off gold.  
 1936-Sept. 26 French franc devalued (about 30%).  
 Tripartite Currency Agreement announced.  
 1937-July 1 Gold Standard suspended in France.  
 1938-May 5 Franc devalued and linked to sterling.  
 1939-Sept. 5 Bk. of England's buying price of gold  
 pegged at £8. 8s. oz.

London Price of Gold. Per oz. fine.	London on New York. \$ to £stg.	London on Paris. Fr. to £stg.	New York on Paris. \$ to Fr. 100.
<b>£. s. d. (Sterling).</b>			
Old Parity	4 4 11	4.86	3.92
Av. Oct., 1936	7 1 11	4.90	4.67
" Sept., 1937	7 0 4	4.95	3.52
" Dec., 1938	7 8 10	4.67	2.63
" July, 1939	7 8 6	4.68	2.65
" Aug., 1939	7 10 6	4.61	2.62
" Oct., 1939	8 8 0	4.03	2.28
" Feb., 1940	8 8 0	4.03	2.25
March 2, 1940	8 8 0	4.03	2.23
" 23,	8 8 0	4.03	2.11

The pegged official rates of exchange of British for United States and French currency have been maintained without change since a fortnight after the war began. In the New York open market sterling-dollar exchange fluctuated between \$3.765 and \$3.7125 during the past week and the dollar-franc rate showed similar movements. As indicated previously (W.N.19.3.40) the limited extent of dealings in sterling on the open market, and the special circumstances surrounding such transactions as are made render movements in quotations in New York of little significance.

Figures published by the United States Munitions Control Board show that in 1939 United Kingdom purchases of American planes and munitions totalled £stg. 6.6 million. In view of the inclusion of four war months, this relatively small total is surprising. Doubtless purchases have increased this year, but it is apparent that so far, British expenditure on war material in the United States cannot have influenced the course of the exchange rates materially.

Senate

The United States is expected to approve a proposal to repeal the authority under the Silver Purchases Act, 1934 for purchase by the Treasury of foreign silver. That Act proposed acquisition of silver until the United States monetary reserves were held as to one-fourth in silver and three-fourths in gold. Because gold has flowed in so freely the attainment of the required proportion is as far off as ever. It is thought in the United States that considerations of the effect on United States trade, and on the purchasing power of China and Mexico will lead Congress to refuse to effect the repeal.

PART III. FINANCE AND TRADE.

RETAIL TRADE. Business conditions have continued buoyant under the influence of increasing purchasing power arising from war expenditure, higher rural incomes and greater employment. Although import restrictions were operative as from December 1, 1939 they apply to a limited range of merchandise only, and due to the arrival of goods ordered late last year the restrictions have so far had little effect. Local industries are being developed to produce goods supplies of which are likely to be affected by import control and war-time trade difficulties.

In retail trading establishments with ten or more employees, the number of persons employed in February, 1940 was 53,602; an increase of 556 in comparison with a year earlier.

PERSONS EMPLOYED BY RETAILERS IN N.S.W. WITH TEN OR MORE EMPLOYEES.

	1937-38	1938-39	1939-40	Increase, 1939-40 over 1938-39.
September	49,854	50,989	51,176	187
October	50,623	51,193	51,615	422
November	51,415	52,340	52,658	318
December	57,364	58,716	58,967	251
January	50,796	51,304	52,372	1,068
February	51,919	53,046	53,602	556

The increase in employment has taken place mainly in city shops, and in shops in the Newcastle district. So far the improved position of rural producers has not resulted in a recovery of employment in shops in country towns to the level of one and two years ago. Employment in shops with ten or more employees was distributed as under:-

	City.	Suburbs.	Newcastle District.	Country Towns.	Total
Feb., 1938	36,658	4,063	2,444	8,754	51,919
" 1939	37,817	4,072	2,435	8,722	53,046
" 1940	38,500	3,986	2,582	8,534	53,602

In a group of large city stores the value of sales made in January, 1940 was 7.8 per cent. greater than in January, 1939. In part this increase may be due to higher prices of imported goods. Increases were recorded for all classes of goods other than food and perishables (minus 3 per cent.). Drapery and wearing apparel increased by 8.8 per cent., furniture, hardware, etc. by 6.8 per cent., fancy goods by 11.5 per cent. and books, stationery, etc., by 18.9 per cent. In these shops stocks were 9.1 per cent. greater in value than in January, 1939, though in some lines (household piece goods, and boys' wear) supplies were less plentiful.

In January, 1940 employment in these city shops was about the same as a year earlier and the amount paid in salaries and wages was 4.7 per cent. greater.

SAVINGS BANKS. The amount of deposits in savings banks in New South Wales increased in February, 1940 by £451,000 to £87,167,000. This increase (the greatest for February of any post-depression year) contrasts with a decrease of £233,000 in February, 1939. That decrease was due partly to a public loan flotation. There was no loan operation in February of this year.

Withdrawals exceeded deposits in every month from February to October, 1939, but depositors have added £483,000 to accounts over the past three months, compared with net additions of £250,000 and £471,000 in the corresponding periods of 1938-39 and 1937-38, respectively.

/There may.....

PART III. (Continued.)

There may be a tendency for savings deposits to increase as a result of the reduction as from Jan. 24, 1940 of one-quarter of one per cent. in the rates of interest paid by trading banks on fixed deposits. The rates now range from  $1\frac{3}{4}$  per cent. for three months to  $2\frac{3}{4}$  per cent. for two years. Incomes are rising as a result of the general stimulus afforded by war expenditure and higher export returns, increasing saving capacity of the people. However, there may be a diversion of savings to purchase of war savings certificates carrying a higher rate of interest ( $3\frac{1}{4}$  per cent. for seven years) and by subscriptions to war loans.

Trends in savings bank balances and in the number of open savings accounts are as under:-

SAVINGS BANKS IN NEW SOUTH WALES.

	Depositors' Balances		Increase in Deposits		Number of Open Savings Accounts	
	At 31st January	At end of February.	In February	In Year ended Feb.	At 31st January.	At end of February.
	£000	£000	£000	£000	000	000
1932	72,069	71,259	(-)810	?	(March 1933 = 1,028)	1,028
1936	78,925	79,191	266	2,656	1,127	1,137
1937	79,740	79,838	98	647	1,209	1,218
1938	83,283	83,698	415	3,860	1,278	1,283
1939	86,824	86,591	(-)233	2,893	1,334	1,342
1940	86,716	87,167	451	576	1,336	1,339

(-) Denotes decrease

PART IV.

PART IV. INDUSTRIES.

BUILDING PERMITS - METROPOLIS.

Building activity has decreased. Permits for Nov.-Feb. were 26½% lower in value this year than last year, having decreased 47% in the city and 14% in the suburbs. Monthly movements show irregularity but for all types of buildings amounts decreased in February and the six months ended Feb. compared with a year ago, particularly flats, hotels etc. and wood and fibro houses. Factory building remained at a high level though 25% less than a year earlier.

There were 3,596 dwellings of all kinds proposed in Sept.-Feb., 1940. This was less than in the corresponding period of the preceding three years. In the six months ended Feb., 1940 compared with a year earlier there were decreases of 49% for flat dwellings, 12.4% for brick houses and 29.2% for wood and fibro houses.

Permits for private buildings of a value of £755,000 were granted in February, 1940 in Sydney and Suburbs. The total was £244,000 less than in February, 1939 and £144,000 less than in February, 1938. In the first three months of the war, permits declined in value by 16 per cent. in comparison with the corresponding months of 1938, and for the three months ended February the decline was about 26½ per cent. Thus, there is a tendency for building activity to decrease though the construction of defence buildings (excluded from these statistics) offsets the decline in private building to some extent. The trend may be illustrated as under:-

Permits for Private Buildings - Sydney and Suburbs.

	Three months ended -						Six Months
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Sept.-Feb.
	Average Value (£1,000) per month.						
1937-38	1,026	1,015	1,042	1,082	1,062	985	1,015
1938-39	1,351	1,082	1,123	1,065	1,042	933	1,028
1939-40	1,177	1,071	934	868	699	685	810

Building has been affected more in the city than in the suburbs. The total for the city for the six months ended February was the lowest since 1932-33. Percentage decreases compared with a year earlier for February, and the six months ended February, 1940 were, respectively, 31.5 and 47 per cent. in the city and 33.6 and 14.4 per cent. in the suburbs. Values were as follow:-

BUILDING PERMITS GRANTED - SYDNEY AND SUBURBS.

Including New Buildings, Alterations etc. Excluding Government Buildings.

	February.			January & February.			6 mths. ended Feb.		
	City.	Sub-urbs	Total.	City.	Sub-urbs	Total.	City.	Sub-urbs	Total.
1935	70	452	522	259	904	1,163	716	2,605	3,321
1936	558	567	1,125	749	1,086	1,835	1,313	3,129	4,442
1937	54	517	571	136	1,094	1,230	903	3,725	4,628
1938	131	768	899	290	1,513	1,803	1,147	4,934	6,081
1939	108	891	999	227	1,636	1,863	1,297	4,870	6,167
1940	74	681	755	157	1,297	1,454	688	4,169	4,857

Details for February reveal decreases in value for each class of building in comparison with February, 1939. The decrease for houses

/was....

PART IV. (Continued.)

was slight (there was a small increase for brick houses) and was most marked for "other" buildings which include offices, theatres, churches, etc. Over the six war months there were decreases under all headings compared with a year earlier - slight in the case of miscellaneous buildings and brick houses, but considerable in the case of all other classes, as may be seen from the percentages set at the foot of the following table. Notwithstanding the decline from 1938-39 to 1939-40 the building of factories remains at a high level relative to other post-depression years.

PARTICULARS OF BUILDING PERMITS - SYDNEY AND SUBURBS  
(Excluding Government Buildings).

Period.	Houses.		Flats (New & Convert- ed.)	Hotels, Guest Houses.	Shops & Shops with Dwellings.	Factories and Public Garages.	Other Build- ings.	Total.
	Brick.	Wood, Fibro.						
Value in Thousands of Pounds.								
February								
1939.	368	81	209	65	49	90	137	999
1940.	396	48	144	35	27	66	39	755
Sept-Feb.								
1938-39.	2175	449	1365	521	277	600	779	6167
1939-40.	1982	319	833	276	210	461	776	4857
Decrease	8.9%	29.0%	39.0%	47.0%	24.2%	23.2%	0.4%	21.2%

In the following statement the values, month by month from September to February of this and last year for each of the more important classes of building are set in juxtaposition. Generally the amounts are at a level somewhat below that of a year ago, but in no case is a regular trend apparent:-

BUILDING PERMITS GRANTED - SYDNEY AND SUBURBS.

Monthly - September to February, 1938-39 and 1939-40.

(Excluding Government Buildings.)

	Houses.		Flats &c.		Shops &c.		Factories &c.		Other Buildings	
	38-39.	39-40.	38-39.	39-40.	38-39.	39-40.	38-39.	39-40.	38-39.	39-40.
Value in Thousands of Pounds.										
Sept.	477	347	377	150	80	18	74	98	98	186
Oct.	438	460	231	173	35	61	46	105	183	406
Nov.	491	414	146	176	64	38	111	76	513	93
Dec.	374	293	254	96	25	24	68	65	215	124
Jan.	395	342	148	95	22	43	210	50	89	169
Feb.	449	444	209	144	49	27	90	66	202	74

In recent weeks £200,000 of new money has been provided for building societies. Activities through these societies were of great importance in maintaining house-building over the past two years, and the prospect for that class of building is governed largely by the extent to which the societies can secure finance for advances to prospective members. The State scheme to assist wage-earners to build has now been extended to cover 400 new cottages. The expansion of industry in war production and in replacement of formerly imported goods is likely to lead to considerable activity in the provision of factory premises. Building prospects generally are likely to be favourably affected by rising incomes, but may be restrained in some degree by investment control, higher cost of building, and perhaps psychological restraints due to the war.

/DWELLINGS.....

PART IV. (Continued.)

DWELLINGS. New individual dwellings proposed in February numbered 652 this year, 811 in 1939 and 842 in 1938. In each of the war months the number of net additional dwellings included in permits was below those of one and two years earlier:-

	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Total Sept.-Feb.</u>
Number of net additional dwellings proposed.							
1937-38	876	931	853	726	688	842	4,916
1938-39	1185	812	744	782	643	811	4,977
1939-40	569	775	686	426	488	652	3,596

The number for the six months (3,596) was 1,381 or 27.7 per cent. less in 1939-40 than in 1938-39, and also less for the period than in any year since 1935-36. The falling-off is preponderantly in the provision of flat dwellings for which there was a decrease of 49 per cent. in comparison with Sept-Feb., 1938-39. The building of the cheaper type of house has also been affected materially; the number of brick houses decreased by 12.4 per cent. while there was a decrease of 29.2 per cent. for wood and/or fibro houses. Details for Sept-Feb. of each of the last four years are as under:-

METROPOLITAN AREA - PERMITS TO ERECT BUILDINGS CONTAINING DWELLINGS.

Type of Building.	Six months ended February.			
	1937.	1938.	1939.	1940
Houses - of Brick Of Wood, Fibro, etc.	1525 454	2029 673	2051 826	1797 585
Total - Houses	1979	2702	2877	2382
Flats - In new Flat Buildings - In Converted Buildings - With Shops and Hotels	1599 260 95	2079 243 81	1944 169 129	1110 152 84
Total - Flats, etc.	1954	2403	2242	1346
Grand Total Dwellings Proposed Less Demolitions & Conversions	3933 183	5105 189	5119 142	3728 132
Net Additional Dwellings -	3750	4916	4977	3596

Trends in the provision of residential buildings since 1929 are as follows:-

NUMBER OF DWELLINGS PROPOSED - SYDNEY AND SUBURBS.

	Calendar Year.					Jan.-Feb.	
	1929.	Average, 1930-34.	1937.	1938.	1939.	1939.	1940.
Individual Houses	7,095	1,205	4,852	6,342	5,847	949	817
In Flats, with shops etc.	3,097	656	3,900	5,821	4,290	547	367
Net Total (after deducting demoli- tions, etc.)	9,854	1,839	8,490	11,853	9,822	1,454	1,140

MOTOR VEHICLES. New motor vehicle sales began decreasing in the middle of 1938 and the decline has accelerated under war-time conditions. Motor taxation is higher and prices of petrol, tyres, etc. have risen. Although employment, industrial activity, and rural returns have increased, affecting most incomes favourably, potential purchasers of new motor vehicles are restrained, apparently, by uncertainties as to the future generally, and as to possible restriction upon the use of motor vehicles in particular.

/In February, ...

PART IV. (Continued.)

In February, 1940 new car sales were 34 per cent. less, and sales of new lorries and vans were  $12\frac{1}{2}$  per cent. less, numerically, than in February, 1939. New motor vehicle sales of the past six months compare with those of one and two years earlier as under:-

AVERAGE NUMBER OF NEW VEHICLES REGISTERED - PER WEEK.

	Cars, Cabs and Omnibuses.						Lorries and Vans.					
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1937-38	415	421	483	534	427	470	200	221	246	222	163	184
1938-39	368	343	428	457	325	505	181	177	202	163	117	127
1939-40	270	314	368	344	246	333	126	145	169	127	87	110

Comparisons of the weekly average number of new vehicles sold in February of certain recent years are:-

NEW MOTOR VEHICLES SOLD IN NEW SOUTH WALES.  
Average Number - per week.

	Month of February.						
	1929.	1932.	1936.	1937.	1938.	1939.	1940.
Cars, etc.	562	62	445	456	470	505	333
Lorries & Vans.	147	10	135	159	184	127	110
Total	709	72	580	615	654	632	443

\$/ Including trailers; excluded in later years.

There has been a moderate decline in the number of registered motor vehicles during the war months. In addition to the factors affecting new sales, this is attributable to the new requirement (since October, 1939) of a certificate of road-worthiness of vehicles before re-registration, and to enlistments in the defence forces. Since August last (when total registrations were greatest) the numbers of vehicles on the register show decreases for cars of 1,519, for lorries and vans of 995 and for all vehicles, including cycles, taxi-cabs, omnibuses, trailers, etc. of 3,571.

NUMBER OF REGISTERED MOTOR VEHICLES IN NEW SOUTH WALES.

	1933	1938	1939			1940.	
	July.	Feb.	Feb.	Aug.	Dec.	Jan.	Feb.
	000	000	000	000	000	000	000
Cars	148.2	200.8	213.5	216.6	216.4	215.5	215.1
Lorries and Vans	42.2	71.2	76.3	77.7	77.7	77.2	76.7
All vehicles	216.5	304.8	324.4	329.2	328.6	326.7	325.6

GAS AND ELECTRICITY. The amount of gas and electricity sold in Sydney and suburbs in February, 1940 was much greater than in February of any preceding year, and increased by 8 per cent. in comparison with February, 1939. Over the past six months the index numbers have averaged about 35 per cent. above the level of 1929-31.

Increased population and wider reticulation have a part in the increase, but it is due in greater measure to the expansion of industry, coupled with greater use of modern power equipment commercially and in private homes. War activities are responsible primarily for an increase of about 10 per cent. in consumption over the past six months in comparison with Sept.-Feb., 1938-39.

It is reported that public utilities have considerable stocks of coal, and that the stoppage in the coal mining industry is unlikely to affect gas and electricity supplies for at least two or three months.

/CONSUMPTION.....

PART IV. (Continued.)

CONSUMPTION OF GAS AND ELECTRICITY - SYDNEY.

1929. 1932. 1936. 1937. 1938. 1939. 1940.

Index Numbers: Average, 1929-31=100.

Month of February. 104 93 110 114 116 125 135  
Calendar Year. 105 95 112 115 122 131 -

**COAL.** Employment in collieries was about the same in February, 1940 as a year before, but although the number employed was about 3,000 above the average for 1933, it was some 8,500 less than in 1927. Mechanisation of a number of the mines has had the effect of displacing labour, for in 1939 the quantity of coal won (11,196,000 tons) was slightly greater than in 1927 (11,126,000 tons.)

All unionists employed in the coal mining industry ceased work on March 11, 1940 as a result of an industrial dispute (See W.N.5.3.40) It is reported that some small collieries employing miners not affiliated with the Miners' Federation are working, and some coal is being raised by staff men in certain mechanised or partly mechanised collieries, but transport and use of this coal may occasion an extension of the dispute. There seems small prospect of an early settlement, without which domestic activity and the country's war programme must be prejudiced seriously.

In both January and February, 1940 the quantities of coal transported by rail and shipped by sea beyond New South Wales were less than in the corresponding months of 1938 or 1939.

Statistical comparisons relating to the industry are as follow:-

COAL MINING INDUSTRY - NEW SOUTH WALES.

	Coal Hauled on Govt. Railways.		Coal Shipped by Sea beyond N.S.W.		Coal Raised (a) Calendar Year.	Men employed in Collieries (b) February.
	February.	Jan.-Feb.	February.	Jan.-Feb.		
	000 tons.	000 tons.	000 tons.	000 tons.		
1928	503	1,050	Not available.		9,448	21,700(c)
1932	371	697	198	357	6,784	14,100(c)
1937	545	1,108	223	459	10,052	14,200
1938	640	1,192	267	487	9,571	15,400
1939	728	1,295	316	558	11,196	16,200
1940	580(d)	1,082(d)	234(d)	468(d)	...	16,400(e)

(a) Average, 1923 to 1927 : 11,100,000 tons.

(b) Average number employed in 1927: 24,500.

(c) Yearly average. (d) Approximate.

(e) With allowance for temporary stoppages.

**RAILWAYS.** In January, 1940, for the sixth successive month, the working surplus (before meeting interest, etc. charges) of the State Railways was greater than in the corresponding period of the preceding year. The gross profit for the seven months ended January was £4,019,000 in 1937-38, £3,005,000 in 1938-39 and £4,128,000 this financial year.

Railways - Excess of Revenue over Working Expenses (Ex. interest, etc.)

	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Total 7 months.
	£000	£000	£000	£000	£000	£000	£000	£000.
1937-38.	439	496	552	584	554	749	642	4,019
1938-39.	372	392	383	303	443	679	431	3,005
1939-40.	370	502	669	618	585	733	650	4,128

/OVER....

PART IV. (Continued.)

Over the seven months an increase in goods traffic (10.7 per cent.) and higher passenger fares and certain freight rates brought an increase in revenue of 10.5 per cent. in comparison with July-Jan., 1938-39, in the earning of which working expenses were only 0.5 per cent. greater. The decrease of 6.2 per cent. in the number of passenger journeys may be attributed to diversion to other transport services in the Metropolis caused by the 10 per cent. increase in passenger fares made on March 1, 1939.

The prospects for continuance of the recent improved results of the railways are favourable, except for the possible effect of the coal strike.

NEW SOUTH WALES GOVERNMENT RAILWAYS.

Month of January.			Seven Months ended January.		
Passenger Journeys.	Goods Ton Mileage.	Working Surplus. £	Passenger Journeys.	Goods Ton Mileage.	Working Surplus. £
Million.	Million.	£000	Million.	Million.	£000
1932	10.3	148	326	72.0	903
1937	14.6	173	629	102.8	1050
1938	16.6	166	642	110.2	1130
1939	16.3	118	431	111.7	1062
1940	15.7	172	650	104.8	1176

£ Excess of earnings over working expenses, exclusive of interest, etc. charges, amounting in 1938-39 to £6,575,000.

ROAD TRANSPORT SERVICES. In each month, September to December, 1939 fewer passengers were carried by Government trams and buses in Sydney and Newcastle than in the corresponding months of 1938, but in January, 1940 there was a small increase in comparison with January, 1939. Increasing employment may tend to increase bus and tram traffic. Monthly comparisons of the number of passengers carried are:-

Tram and Bus Passengers - Sydney and Newcastle.

	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
	Number of Passengers - Millions.						
1937-38	29.8	28.6	28.7	30.2	30.5	33.4	32.5
1938-39	29.8	29.2	29.9	31.3	31.5	33.8	31.9
1939-40	29.9	30.5	29.9	31.1	31.3	33.3	32.5

In the seven months ended January gross earnings of these services were £70,000 greater in 1939-40 than in 1938-39 and £123,000 greater than in 1937-38. Working expenses increased by £13,000 and £154,000 respectively. Substitution of buses for trams on some routes has made for economy, but these vehicles are dependent upon imported fuel, the cost of which has risen. Fares of road services are unchanged and there has been no means, other than close supervision of expenditure and organisation, of offsetting the effect of higher wages costs.

Operating results compare as under:-

GOVERNMENT TRAMWAY AND OMNIBUS SERVICES - SYDNEY AND NEWCASTLE.

	Month of January.				Seven months ended January.			
	Earnings.	Working Expenses.	Working Surplus. £	Passengers.	Earnings.	Working Expenses.	Working Surplus. £	Passengers.
	£000	£000	£000	mill.	£000	£000	£000	mill.
1937	405	294	111	32.5	2,487	2,025	462	213.6
1938	397	319	78	31.9	2,540	2,166	374	217.3
1939	421	312	109	32.5	2,610	2,179	431	207.7

£ Excess of earnings over working expenses exclusive of interest, sinking fund, exchange and depreciation, amounting in 1938-39 to £646,000.

PART IV. (Continued.)

WIRELESS LICENSES. There were 446,927 Broadcast Listeners' Licenses in force in New South Wales on 29th February, 1940. During February there were increases of 1,252 in 1937, 2,143 in 1938, 3,562 in 1939 and 2,375 in 1940.

Although the proportion of persons using radio services is relatively high, the number of licenses is still increasing. The rate of increase is naturally less rapid than in earlier years, but in the six war months there has been an increase of 15,868 compared with an increase of 12,464 in the corresponding period of 1938-39.

The growth in the number of licenses since 1932 was as follows:-

BROADCAST LISTENERS' LICENSES IN FORCE IN NEW SOUTH WALES.  
(Including Australian Capital Territory).

	<u>1932.</u>	<u>1936.</u>	<u>1937.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940.</u>
Number of Licenses - Thousands.						
At end of February	130.6	299.7	343.4	391.2	427.2	446.9
Increase in last 12 months	11.9	30.8	43.7	47.8	36.0	19.7